[](http://www.google.be/imgres?q=ethiopian+flag&hl=en&sa=G&biw=1152&bih=667&gbv=2&tbm=isch&tbnid=p_VO7byBeMMsWM:&imgrefurl=http://www.flagpictures.tk/flag-pictures/ethiopia-flag.html&docid=RYIMusSEgyIPnM&w=1181&h=788&ei=96yJTt2QM4GdOtzOgNUB&zoom=1&iact=hc&vpx=92&vpy=380&dur=3844&hovh=183&hovw=275&tx=95&ty=123&page=1&)



**EUROPEAN UNION '+'**

**JOINT COOPERATION STRATEGY**

**FOR ETHIOPIA**

***Public document***

***27 January 2013***

**EUROPEAN UNION '+' JOINT COOPERATION STRATEGY FOR ETHIOPIA**

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| **List of Abbreviations** | |
| APR | Annual Periodic Review |
| CSO | Civil Society Organisation |
| CRGE | Climate Resilient Green Economy |
| DAG | Development Assistance Group |
| EDF | European Development Fund |
| EPA | Environment Protection Agency |
| EU | European Union |
| EU+ | European Union, EU Member States and like-minded donors (Norway) |
| GEQIP | General Education Quality Improvement Package |
| GDP | Gross Domestic Product |
| GNI | Gross National Income |
| GTP | Growth and Transformation Plan |
| MDG | Millennium Development Goals |
| M&E | Monitoring and Evaluation |
| MTEF | Medium Term Expenditure Framework |
| OECD | Organisation for Economic Cooperation and Development |
| PASDEP | Plan for Accelerated and Sustainable Development to End Poverty |
| PBS | Protection of Basic Services |
| PSCAP | Public Sector Capacity Building Programme |
| PSNP | Productive Safety Nets Programme |
| RED&FS | Rural Economic Development and Food Security |
| SLM | Sustainable Land Management |
| SWG | Sector Working Group |
| TWG | Technical Working Group |

**I. Introduction**

The European Union (EU), its Member States, and like-minded donors (Norway), henceforth referred to as ‘EU+’, are firmly committed to supporting a stable and prosperous Ethiopia in a challenging region. EU+ is therefore committed to supporting the Government of Ethiopia to achieve in a realistic way, the main objectives of the Growth and Transformation Plan (GTP), as well as to improve the efficiency and relevance of EU+ development assistance. Building upon the longstanding relationship between the EU, its Member States, Norway and Ethiopia, the EU+ Joint Cooperation Strategy establishes a shared, long-term vision for EU+ partners in supporting Ethiopia's development.

Ten EU Member States, Norway and the European Union consider Ethiopia a priority country for their operations. Other EU Member States also provide development assistance.[[1]](#footnote-1)In 2010, EU member states and Norway provided USD 1,095 million of ODA (disbursements @ current prices), equivalent to 28.7 percent of total ODA.[[2]](#footnote-2) Shared priorities and improved coordination and effectiveness will increase the leverage of EU financing. New financing instruments and possible joint programmes will further facilitate this process.

The GTP, covering 2011 to 2015, presents an opportunity to renew the commitment of the EU, EU Member States and like-minded donors (Norway) to adopt mutual priorities for supporting Ethiopia's development in alignment with the GTP and to establish guiding principles and objectives for effective development in the spirit of an equal-standing partnership.[[3]](#footnote-3) Whilst ambitious, the GTP offers a basis to build an EU+ response in the framework of the EU Agenda for Change[[4]](#footnote-4).

This Joint Cooperation Strategy lays the building blocks for EU+ joint programming in Ethiopia; it is a document that the EU+ partners will refer to in their country strategies. It is a document shared with, but not endorsed by, National Authorities. It seeks to ensure coherence with DAG initiatives, and encourages the participation of other development partners.

**II. A Joint Strategy for Ethiopia**

The Joint Strategy is aligned with the GTP's timeframe (2011-2015). Member States in the process of preparing new country strategies are encouraged to adopt an interim timeframe, to allow for progressive 'synchronisation' and to seek out opportunities for joint programming.

**1. Objectives and Guiding Principles**

The main objectives of the joint strategy are:

* to articulate a common vision of development challenges and mutual priorities for EU+ support in support of the objectives of the GTP;
* to progressively align EU+ partners’ country strategies with agreed mutual priorities, paving the way for an EU joint programming exercise;
* to enhance the quality of policy dialogue;
* to make EU financing more effective through a focus on alignment, harmonisation, managing for results (common results framework), predictability and mutual accountability.
* to enhance the leverage and visibility of EU support to Ethiopia.

These objectives will be accompanied by a commitment to specific actions and targets to be set up in a roadmap and operational framework.

Efforts of the EU+ to enhance aid effectiveness and the division of Labour process build on existing donor coordination mechanisms. EU+ partners endeavour to actively encourage other development partners to support the process through their engagement in the DAG. All activities will be closely coordinated with the DAG. EU+ partners will use their participation in DAG SWGs or TWGs to promote policy issues related to the mutual priorities outlined below and to ensure that cross-cutting concerns are considered in all pillars/sectors

EU+ activities are based on and guided by the core values of the EU, respect for fundamental freedoms, and democratic governance. EU+ partners support overall development as a catalyst for the empowerment of citizens.

While the Joint Strategy focuses on development, other policy tools and partnership features are growing in importance. The 'European Consensus for Development' and the ‘Agenda for Change highlight the importance of non-development policies in supporting developing countries in their efforts to achieve the MDGs.[[5]](#footnote-5)The EU's partnership with Ethiopia includes policy dialogue (including through Article 8), trade policy, environmental policy, migration and security policies. The partnership also offers many opportunities for knowledge sharing, particularly on Europe's experience of transformation in Eastern Europe and in candidate countries. The EU and Ethiopia also share important trade relations.

**2. Mutual Development Priorities**

EU+ partners are firmly committed to supporting the Government of Ethiopia to achieve, as much as possible, the main objectives of the GTP. Economic growth expected from the GTP will generate jobs and increase the demand for democratic accountability; deepened democratic governance will help deliver Ethiopia’s development agenda. To support the ambitious growth targets, EU+ partners will look to increase their support to economic growth and productive activities, while keeping a focus on governance and social sectors.

**2-1 Governance:**

EU+ partners will continue to promote governance as a key for long term sustainable development through political dialogue at various levels. They emphasise the role of civil society as an equal and important partner in the development and democratisation processes of the country, and support the building of trust between civil society and the government. EU+ partners will continue to support civil society through existing joint instruments such as the Civil Society Support Programme, the Civil Society Fund and the Social Accountability component of the PBS. EU+ partners encourage citizen participation, both in the political and economic decision-making processes, as well as in social accountability, and they promote diversity of ideas, cultures and religions. Support towards enhancing domestic accountability systems involving both formal institutions as local councils and Supreme Audit institutions and informal actors as CSOs and media will be provided, EU+ partners will also facilitate exposure to good practices from countries with similarly young democracies and transition experiences.

EU+ partners will continue to support institutional capacity building. They are keen to support capacity building in the justice sector and for the democratic institutions, to allow them to fulfil their mandates better, as well as to support capacity building in the civil service. Further, EU+ partners will support a deepening of the rule of law and access to justice as well as the implementation of commitments made by the Government in the area of human rights. On the basis of EU joint activities such as the Human Rights Country Strategy, EU+ partners, in close coordination with the DAG, will explore new initiatives. They will encourage inter-religious dialogue and conflict prevention initiatives.

EU’+’ partners will support comprehensive PFM reform at all levels of administration. They will support the Government in preserving Ethiopia’s low levels of corruption.

**2-2 Regional Economic Integration for Regional Stability:**

The EU+ will continue to support peace and stability in the region by promoting economic and political regional integration. This will include support to regional transport infrastructure development, energy markets, trade facilitation, as well as political dialogue. The EU will also support long term solutions for refugees, with a focus on peaceful coexistence with host communities, as well as for cross border conflicts and regional water management. The EU recognises and supports the strategic role of Ethiopia in regional institutions, such as the Intergovernmental Authority on Development, as well as in the African Union in promoting regional integration, peace and stability in the Horn of Africa and in Africa, including for Sudan, Somalia and the Gulf of Aden.

**2-3 Economic and Private Sector Development and Financing 'Landscape':**

EU+ partners will look to increase their support for inclusive, sustainable economic growth activities in an environmentally and socially ethical, and appropriately regulated, manner. This will include: (i) supporting improvements to the enabling environment for the private sector, by addressing legal and administrative constraints, and by enhancing capacities; and (ii) expanding the involvement with and direct support to the private sector, through supporting new financial instruments, skills development, technical cooperation, exposure to international best practices and benchmarking. This could range from supporting private sector development-related activities for public bodies through the proposed Transformation Triggering Facility, and for private bodies through other programmes, to encourage knowledge sharing/twinning, capacity building, vocational and MBA education, and strengthening of public universities. The role of the private sector in the further development of sustainable agriculture will be emphasised, in line with the *New Alliance*.

EU partners endeavour to improve the overall quality of sector policy dialogue, to enhance trust and a constructive partnership with the Government and the business community through (i) the existing DAG structures, particularly on private sector and energy; (ii) Art. 8 economic dialogue; (iii) revitalisation of the macroeconomic/public finance management group; (iv) EU Business Forum and (v) relevant joint and bilateral programmes.

Private investments and foreign direct investment from the EU will be encouraged through emphasising the mutual benefit of such investments and the use of trade related instruments, e.g. 'Everything but Arms' initiative, export helpdesk, as well as trade and investment initiatives of member states. Ethiopia’s WTO accession process will be encouraged. EU+ will support revenue mobilisation schemes and the set-up of a credible MTEF.

Furthermore, EU+ partners will continue to support infrastructure development, including rural roads, road safety measures, climate change adaptation and mitigation, renewable energies, urban and industrial planning. The protection of Ethiopian heritage and its promotion through tourism will be supported. The emphasis will be on capacity building and knowledge sharing, while support can be provided on capital investments where necessary. For that, a better sequencing of public investments is encouraged.

**2-4 Human and Social Development:**

EU+ partners are committed to continuing their support of the MDG agenda through a results-based approach, focusing more on utilisation and quality, and in increasing access to basic services, particularly for marginalised and minority groups. Special focus will be on maternal and child health services, including nutrition and family planning, education for girls and boys at all levels (primary, secondary, tertiary and vocational training) and improved urban and rural water and sanitation. Some partners are also increasing investments in the peripheral, under-served states where large disparities in development indicators exist, to promote inclusive development and stability.

EU+ partners will expand their support for joint programmes and social accountability.[[6]](#footnote-6) Dialogue on policy, implementation and results will be further strengthened through engagement in sector working groups and in joint programmes. The dialogue at federal level on equitable access, quality of services, fiscal transparency and social accountability will be complemented by enhanced dialogue at sub-national levels. Further, EU+ partners will support the development and implementation of a national social protection policy, and also discuss means for more effective inclusion of vulnerable populations and areas in development activities.

**2-5 Sustainable Agriculture and Food Security:**

EU+ partners will continue their support for the humanitarian and safety net needs of the country, while supporting the transition from relief to development and resilience to drought and external shocks. Central in this effort will be support to the agricultural sector, including supporting extension services, input supplies and rural infrastructure. The EU+ is keen to support the role of the private sector through promoting an improved enabling environment. Alternative livelihoods will be supported through savings and credit schemes, business training opportunities and value chain development, as well as non-farm activities. The EU+ will pay particular attention to supporting a long term vision on pastoralists, to reduce their vulnerability, as well as to consolidating and modernising coffee production and marketing.

EU+ partners will continue to support Government-led programmes, balancing resources between protective and productive programmes, and provide support to the Ministry of Agriculture and the Agricultural Transformation Agency.[[7]](#footnote-7) Linkages between research and programme interventions will be strengthened by supporting research institutions and NGO initiatives for piloting innovative ideas - especially towards agricultural practices adapting to climate change for drought resilience -, for lesson learning and scaling up including towards those climate-smart agricultural practices. EU+ partners will also promote Disaster Risk Management to address the main threats of drought and flood. Nutrition concerns will be mainstreamed, including through links with agricultural productivity improvements.

**2-6 Gender:**

EU+ partners are committed to supporting women's economic and political empowerment as one of the Growth and Transformation Plan (GTP) pillars, not only because it is right, but also to generate an additional catalyst for economic growth and social well-being. This includes providing access to capacity building opportunities, to income generating schemes, business development and credit services. The capacity of the Ministry of Women Affairs, Youth and Children and other Government institutions will be strengthened to support the mainstreaming of gender concerns across governments sector policies, e.g. girls' secondary education, maternal health and sex-disaggregated monitoring. The EU+ is also keen to continue its support to the Government and women's organisations, to fight against harmful traditional practices and gender-based violence. Based on joint EU activities, such as the EU Gender Action Plan, EU+ partners also seek to design new initiatives.

**2-7 Environment and Climate Change:**

EU+ partners are committed to supporting the rehabilitation, preservation and proper use of natural resources and ecological integrity. This includes climate-smart actions like the expansion of renewable energy, focusing on hydro, wind, geothermal and solar energy, watershed management, livestock management, land use planning, including protected areas, and the preservation of forests through, for instance, participatory forest management. EU+ partners will also support balanced urban development.

They also support the Climate Resilient Green Economy strategy. EU+ partners will also ensure climate proofing of their development activities and support climate change resilient agricultural development. They will continue to support the role of non-state actors in environment and climate change activities. In this context special focus should be put on drought resilience. They will support mechanisms enabling EPA to coordinate and implement self-financing initiatives like impact assessments and mitigation measures.

**2-8 Mutual priorities that cut across all sectors and pillars:**

* **Support for capacity building** at all levels of administration, to improve the provision and quality of public service delivery. This may include continuing support to the Public Sector Capacity Building Programme (PSCAP) and other joint programmes, including for sustainable agriculture and food security. For cross-cutting issues such as gender, environment and climate change, capacity will be strengthened to ensure that these issues are adequately mainstreamed. EU+ partners are also strongly committed to supporting capacity building for CSOs and the private sector.
* **Support for quality data and improved monitoring and evaluation.** This includes supporting the Government's capacity in monitoring GTP implementation.

**III. The way forward: EU+ joint programming for Aid Effectiveness**

EU+ joint programming further activities will be based on a roadmap and annual action plans to be developed and endorsed separately.

The EU+ partners will activate progressively a joint programming strategy by 2015. Such joint programming will ensure a coherent and cohesive EU+ response, to improve alignment, harmonisation, results based approach, predictability and transparency, whilst avoiding overlapping or unduly fragmented interventions through a locally defined division of labour process. It aims to inform the overall DAG Government aid effectiveness agenda with which coordination, consistency and complementarity will be sought.

Subsidiarity will apply in development issues, as well as in other areas of EU+ collaboration. Where there are joint activities, such as analysis, research, monitoring, evaluation and pooling of resources, they will be undertaken on the principle that joint efforts contribute added value, reduced transaction costs and improved development effectiveness.

To further develop the EU joint programming process the EU+ partners have agreed to focus on selected aid effectiveness priorities as indicated in annex 1, and articulated around alignment between EU+ partners, developing a common result framework and improving EU+ transparency and visibility.

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Done in Addis Ababa, on 27 January 2013

List of signatories

|  |  |
| --- | --- |
| **Norway** | HE Mr Odd-Inge Kvalheim  Ambassador of the Kingdom of Norway |
| **Belgium** | HE Mr. Mr. Hugues Chantry  Ambassador of the Kingdom of Belgium |
| **Bulgaria** | HE Mr. Svetlozar Panov  Ambassador of the Republic of Bulgaria |
| **Czech Republic** | HE Mr. Marek Libricky  Ambassador of the Czech Republic |
| **Denmark** | HE Mr. Stephan Schonemann  Ambassador of the Kingdom of Denmark |
| **Germany** | HE Mrs. Lieselore Cyrus  Ambassador of the Federal Republic of Germany |
| **Ireland** | HE Mr. Aidan O’Hara  Ambassador of Ireland |
| **Greece** | HE Mr. Nicolas Protonotarios  Ambassador of the Hellenic Republic |
| **Spain** | HE Mr. Miguel Fernández-Palacios  Ambassador of the Kingdom of Spain |
| **France** | HE Mrs. Brigitte Collet  Ambassador of the Republic of France |
| **Italy** | HE Mr. Renzo Rosso  Ambassador of the Republic of Italy |
| **Luxembourg** | Mr Jean Marc Hoscheit  Ambassador. of the Grand-Duché of Luxembourg |
| **Netherlands** | HE Mr. Hans Blankenberg  Ambassador of the Kingdom of the Netherlands |
| **Austria** | HE Mrs. Gudrun Graf  Ambassador of the Republic of Austria |
| **Poland** | HE Mr. Jacek Jankowski  Ambassador of the Republic of Poland |
| **Portugal** | HE Mr. António Luís Cotrim  Ambassador of Portugal |
| **Romania** | HE Amb. Gabriel Branzaru  Chargé d'Affaires e.p of Romania |
| **Slovakia** | Mrs. Iveta Michalikova  Chargé d'Affaires a.i. of the Slovak Republic |
| **Finland** | HE Mr. Leo Olasvirta  Ambassador of the Republic of Finland |
| **Sweden** | HE Mr. Jens Odlander  Ambassador of Sweden |
| **United Kingdom** | HE Mr. Greg Dorey  Ambassador of Her Britannic Majesty |
| **European Union** | HE Mr Xavier Marchal  Ambassador Head of Delegation of the European Union |

**ANNEX 1**

**Selected aid effectiveness priorities for EU+ joint programming**

Selected aid effectiveness priorities are articulated around the five following components:

1. **Alignment**

a. Alignment of EU+ Joint Cooperation Strategy with GTP (the Growth and Transformation Plan of the GoE) and with the GTP cycle (2011-2015) as well as with the Climate Resilient Green Economy (CRGE). EU+ partners endeavor to progressively aligning their programming cycles with the GTP.

b. Alignment between EU+ partners: future bilateral country strategies will be aligned to mutual priorities outlined in the EU+ Joint Cooperation Strategy.

1. **Use of Country Systems:**

a. EU+ partners intend to increase

1. The use of country procurement and public financial management systems and procedures as well as other relevant systems to the maximum extent appropriate.
2. The share of funding channeled through joint programmes, pool funds and sector budget support mechanisms where appropriate.[[8]](#footnote-8).

b. EU+ partners will develop joint programmes, open to like-minded partners, wherever possible and advisable.

1. **Managing for Results**
2. EU+ partners, in line with Busan Partnership Agreement, will build a Common Results Framework, based on the Government’s results framework, agreeing broad, expected outcomes/results, targets/indicators, milestones and planned actions. This will improve EU+ coordination and development narratives, as well as simplifying reporting obligations from the Government’s side.

b. EU+ partners will develop common, results-based approaches and support the alignment of EU+ sector monitoring and evaluation activities.

c. EU+ partners will develop and agree reporting frameworks, and will share portfolio reviews and publish impact assessments.

1. **Predictability and Mutual Accountability**

a. EU+ partners will provide timely, transparent and comprehensive information on aid flows at country and sector level, to the government’s Aid Management Platform (AMP). This will include reliable annual disbursement schedules and indicative commitments over a 3-year framework.

b. Information on proposed, planned and allocated EU+ financial allocations per sector/sub-sector will be shared between donors and with the Government, to foster reduced fragmentation and create improved complementarity (matrix of indicative financial allocations).

c. Concerted efforts will be made to increase transparency and accountability, through regularly published joint EU+ publications on the quality and development effectiveness of EU+ assistance (EU+ blue book). EU+ partners will use AMP data for such aggregate annual reporting. It will highlight the degree of value for money via relating costs to planned and actual results.

d. Joint risk assessments will be conducted by EU+ partners, preferably with other DAG partners, and will be reviewed on regular bases, to ensure that allocations take account of local dynamics, and are adjusted to take account of changes, where necessary. This will also involve regular assessment of local absorption and implementation capacities for the intervention sectors, to ensure that the assistance does not itself contribute to bottlenecks or sectoral inflation.

1. **Division of Labour**

The ‘Division of Labour’ milestones are:

* Mapping EU+ sector presence
* Improving the effectiveness and quality of policy dialogue
* Decreasing transaction costs
* Concentrating bilateral cooperation resources on fewer sectors
* Developing harmonised approaches
* Coordinating with Government and wider development community
* Developing joint diagnostic tools

A mapping of EU+ sector presence, by both sector and modality, will be updated regularly. Many EU+ donors in Ethiopia have started to rationalise the sectors in which they are active, in consultation with all partners, with the objective of supporting a maximum of three focal sectors per partner. There will be continued mapping and development of joint diagnostic tools, to improve the cost effectiveness of providing sound analyses and research. Joint programming will not create mechanisms which are parallel to existing mechanisms.

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| **annex 2: PROGRAMMING CYCLES** | | | | | | | | | | | | |
|  | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** | **Notes** |
| **GTP** |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **AT** |  |  |  |  |  |  |  |  |  |  |  |  |
| **CZ** |  |  |  |  |  |  |  |  |  |  |  |  |
| **DE** |  |  |  |  |  |  |  |  |  |  |  |  |
| **EU** |  |  |  |  |  |  |  |  |  |  |  |  |
| **ES** |  |  |  |  |  |  |  |  |  |  |  |  |
| **FI** |  |  |  |  |  |  |  |  |  |  |  |  |
| **FR** |  |  |  |  |  |  |  |  |  |  |  |  |
| **IE** |  |  |  |  |  |  |  |  |  |  |  |  |
| **IT** |  |  |  |  |  |  |  |  |  |  |  |  |
| **NL** |  |  |  |  |  |  |  |  |  |  |  |  |
| **PL** |  |  |  |  |  |  |  |  |  |  |  |  |
| **SE** |  |  |  |  |  |  |  |  |  |  |  |  |
| **UK** |  |  |  | 1 April 2011-31 March 2015 | | | | |  |  |  |  |
| **NO** |  |  |  |  |  |  |  |  |  |  |  |  |

1. Ethiopia is considered a priority country for Austria, Czech Republic, Germany, the European Union, Spain, Finland, Ireland, Italy, Netherlands, Sweden and the United Kingdom. France, Poland, Belgium, Denmark, Greece and Portugal also provide ODA. [↑](#footnote-ref-1)
2. From: http://stats.oecd.org/Index.aspx. [↑](#footnote-ref-2)
3. Agenda for Change in support of inclusive growth and sustainable development - Increasing the impact of EU development policy.'EU Council,May 2012.

   Busan, November 2011, 'from aid effectiveness to development effectiveness.' [↑](#footnote-ref-3)
4. Approved by the EU Council on 14 May 2012 [↑](#footnote-ref-4)
5. The EU is committed to continue to enhance its Policy Coherence for Development and encourages all other partners to take a similar approach. For further details see Policy Coherence for Development Work Programme 2010-2013", Commission Staff Working Document, Brussels 21 April 2010, SEC (2010) 421 final. [↑](#footnote-ref-5)
6. For instance: Health MDG Fund, General Education Quality Improvement Programme, Water Supply, Sanitation and Hygiene and PBS. [↑](#footnote-ref-6)
7. Programmes such as PSNP, Household Asset Building Programme, Agricultural Growth Programme, Sustainable Land Management Programme. [↑](#footnote-ref-7)
8. This commitment is also part of the DAG Aid Effectiveness Action Plan. [↑](#footnote-ref-8)